

BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION MINUTES

September 12, 2012

The Board of Agriculture, Trade and Consumer Protection met on September 12, 2012, at Organic Valley Family of Farms, One Organic Way, LaFarge, WI. The meeting was preceded by public notice as required by s. 19.84, Stats.

Call to Order

Board Chair Andy Diercks called the meeting to order at 9:06 a.m.

Members Present

Michael Dummer, Miranda Leis, Andy Diercks, Mark Schleitwiler, Richard Cates, Margaret Krome, Enrique Figueroa and Pam Garvey. John Koepke was absent.

Minutes

Motion

Margaret Krome made a motion to approve the August 14, 2012, Board minutes. Second by Michael Dummer. Motion approved unanimously.

ATCP 55 – Interstate Meat Shipments (Hearing Draft)

Steven Ingham, Division of Food Safety Administrator, and Cindy Klug, Division of Food Safety, asked the Board to authorize public hearings on a proposed rule related to ch. ATCP 55, meat and meat food products. This rule is needed in order to adopt federal regulations to meet requirements for participating in a federal program that will allow certain selected Wisconsin state-inspected meat plants to sell their products in interstate commerce.

Wisconsin operates the nation's largest state meat and poultry inspection programs, with more than 270 official licensed establishments. Twenty-seven states currently operate state meat and poultry inspection programs. The department estimates that 17 plants will participate in the voluntary program within the first year, with more plants joining the program over time.

This rule will revise ch. ATCP 55 to incorporate by reference regulations creating the Cooperative Interstate Shipment (CIS) program and specify practices that ensure the state program operates the "same as" the federal program in plants selected for the CIS program. DATCP plans to adopt an emergency rule which is identical to the hearing draft and will allow Wisconsin to participate immediately in the CIS program upon gaining the U.S. Department of Agriculture (USDA) approval, which is expected to occur on September 13, 2012.

Motion

Michael Dummer made a motion to authorize public hearings. Second by Margaret Krome. Motion approved unanimously.

Ch. ATCP 55 – Meat and Meat Food Products (Emergency Rule) Informational Only

Steve Ingham informed the Board of an emergency rule related to ch. ATCP 55, meat and meat food products. The emergency rule is identical to the hearing draft rule which was presented and authorized for public hearings by the Board.

The emergency rule adopts federal regulations in order to meet participation requirements for a federal program that will allow certain selected Wisconsin state-inspected meat plants to sell their products in interstate commerce. By implementing the emergency rule while proceeding with the permanent rule, Wisconsin will be able to participate immediately in the federal program upon USDA approval and printing in the state's official public newspaper, which is expected to occur on September 13, 2012.

Ch. ATCP 161 – Grow Wisconsin Dairy Producer Grant and Loan Program (Final Draft)

Marty Grosse, Division of Agricultural Development asked the Board to approve a final draft rule related to ch. ATCP 161, dairy producer grant and loan program. The department adopted an emergency rule which took effect on March 30, 2012, that has the same provisions as the proposed permanent rule.

DATCP received an annual appropriation in the biennial budget to make grants and loans to dairy producers for projects designed to promote the growth of the dairy industry. DATCP may award no more than \$50,000 of grant funding nor more than \$200,000 in loans to any person or entity in any state fiscal biennium.

DATCP held one public hearing on this rule and no comments were received. Minor editor changes were made in response to suggestions made by the Legislative Council Rules Clearinghouse.

Motion

Miranda Leis made a motion to approve the final draft rule. Second by Enrique Figueroa. Motion approved unanimously.

Ch. ATCP 1 – Discretion in Enforcement of Rule Violations by Small Business (Hearing Draft)

David Meany, Chief Legal Counsel, asked the board to authorize public hearings related to ch. ATCP 1, enforcement of rules against small businesses. This rule will:

- Create a definition of “minor violations” for certain violations of department rules by small businesses.
- Provides that the department may exercise the discretion to forego formal sanctions or to seek reduced sanctions when a minor violation of department rules has been committed by a small business.

Board member Enrique Figueroa requested changing the word “or” to “and” in the proposed language in s. ATCP 1.41 (1), “...., there is a history of compliance by the violator *or* the small business has voluntarily disclosed the violation.” After board discussion, language in the proposed rule will remain as written.

Motion

Richard Cates made a motion to authorize public hearings. Second by Pam Garvey. Motion approved (Enrique Figueroa opposed).

Bureau of Farm Services and Sector Development (Report)

Kathy Schmidt, Division of Agricultural Development, spoke to the Board on the Bureau of Farm Services and Sector Developments. The department’s bureaus of Agricultural Business Development and Farm and Rural Services were merged and reorganized.

Schmitt provided information on the following:

- An update on the farm center and drought response.
- Reason for reorganization (cost savings, promoting team work, sharing support staff, staff changes within their job).
- Staff changes due to retirement and the hiring of new staff.
- Grouping staff with similar customers or who may have different customers but are providing a similar service while adopting to the changes.
- Areas within the new Bureau:
 - Dairy Team;
 - Business Planning and Development;
 - Livestock Specialty Meats;
 - Grazing – Organics;
 - Six Sigma Training; and

- Measurement.

Bureau of Plant Industry (Report)

Brian Kuhn and Krista Hamilton, Division of Agricultural Resource Management, updated the Board on the Emerald Ash Borer (EAB), Gypsy Moth and the Plant Pest Survey.

EAB was found in Trempealeau County and an emergency rule placing a quarantine on that county was put into place last week. There are now 15 counties in Wisconsin that are infested with EAB.

In Wisconsin, the eastern portion of the state is infested with the Gypsy Moth and the states Slow-to-Spread Program is the largest in the country. The goal of the Gypsy Moth program is not eradication, but to slow the westward movement of the Gypsy Moth into high value forests. The Gypsy Moth has been in the United States for approximately 100 years, and there is currently no detection in the far western portion of the country.

This year's treatment in Wisconsin for Gypsy Moth included:

- Use of BtK chemical.
- Use of NPV, a specific gypsy moth virus
- Use of pheromone flakes that prevents breeding.

The Wisconsin Pest Survey Program was established in 1915 and conducts surveys on insects, plant diseases and weeds. The three primary objectives of the program are to detect and control new or exotic plant pests, provide information on established pests that affect Wisconsin crops and support the export certification process. The program conducts two types of tests – a survey on established pests which impact producers on a year-to-year basis and a survey for exotic pests.

The Wisconsin Plant Pest Survey results assist in:

- Alerting farmers to certain pest problems while they can still be controlled to help growers make better management decision.
- Helping to ensure that when crops leave the state they are pest free. Surveys are conducted in certain fields to determine the presence or absence of certain pests which is information required from importing countries.
- Determining where pests are distributed and is essential for determining where control efforts should be focused.

Wisconsin Agricultural Statistics Services (WASS)

Bob Battaglia, State Statistician, updated the Board on the following:

- Prices Received by Farmers:
 - Milk prices increased by a dollar in August to \$18.80. In 2011, milk prices were above \$20.
 - Corn increased 37 cents from July to \$7.00 a bushel
 - Soybeans are at \$15.30 per bushel, up 50 cents from July.
 - Oats averaged \$3.67 per bushel, up 7 cents from July.
 - Alfalfa hay sold for \$140 per ton, \$5 higher than July.
 - Other hay sold for \$95 per ton, unchanged from July.
- Summary of crops harvested and conditions.
- The Census of Agriculture Questionnaire will be mailed in December.

Board Member Reports

Mark Schlietwiler: On September 1, Belgioioso Cheese acquired Park Cheese, a producer of Italian type cheeses located in Fond du Lac County. Belgioioso is integrating the plant and employees into the operation, with 100% of the farms continuing to provide their milk to the plant. Start-up of the plant is expected in November.

Miranda Leis: Leis thanked everyone for coming to Organic Valley Farms. Major facility projects are still moving forward at Organic Valley. The Vernon County Fair starts today in Viroqua, the last of the season. Leis expressed her frustration with the Farm Bill which is stalled in Congress. Given the impact of this year's drought, many producers are in need of the Farm Bill's passage.

Pam Garvey: The growing season is over in Northwestern Wisconsin. The corn crop is viable, the soybean crop has suffered and was burned, and the green bean crop suffered with harvest occurring at the end of August. Although Wisconsin growers have been affected by the drought, working in crop insurance, Wisconsin is very blessed given the impact other parts of the nation suffered.

Enrique Figueroa: Figueroa expressed his gratitude for the gift from Farm Tech. Days and to Organic Valley for hosting the Board. The National Cranberry Board met in Milwaukee three weeks ago, and discussed the possibility of implementing supply management provisions, which was declined. The Cranberry Board did decide to put all promotional tools and funds into targeting the China market.

Mike Dummer: Dummer thanked Miranda Leis and Organic Valley for hosting the Board. Dummer was part of the start-up operation of Organic Valley, facilitating the milk marketing program. Conditions in west central Wisconsin are still very dry, and short 6-10

inches of rainfall. Producers in the northern part of the state are cutting soybeans, which is one to two weeks ahead of schedule, but yields have not yet been reported. Buck Country Elevators is working on licensing and bonding in order to open a third grain elevator.

Margaret Krome: Krome voiced her frustration with the lack of passage of the Farm Bill. Also, unfortunately, the Continuing Resolution that Congress is passing this week would cut key conservation programs. It is particularly concerning that funding is being significantly cut to a program that has been widely used in Wisconsin - the Conservation Stewardship Program - in such a way that funding for 2013 could not be restored, thus preventing the program from serving new farmers who wish to enroll.

Richard Cates: Moisture in his area has been very good and they have been very lucky. Cates thanked Organic Valley for hosting the Board and being a major supporter of the Wisconsin School for Beginning Dairy and Livestock Farmers with program activities and student tuitions and scholarships. Cates attended the Growing Power Conference this past weekend in Milwaukee. Cates discussed water issues with a group of individuals from San Diego who must purchase water at \$1,000 for a foot of water per acre. Wisconsin's water is free. The 4th Annual Barn Dance to Celebrate Our Rural Communities is scheduled September 22. BelGioioso Cheese, Coloma Farms and Koepke Farms are major donors of this event and thanked them for their support.

Andy Diercks: The potato harvest is heavily underway. With the recent heat, irrigation systems will have to be turned on again. There were potato quality issues at the beginning of the season, but have since improved. The packing shed project at Coloma Farms is now up and running. Board Member Richard Cates, along with some of his students, recently visiting his farm.

Secretary's Report

Secretary Brancel updated the Board on the following issues:

Wood Shingles from Farm Technology Days

The shingles distributed at the Board meeting were made from an old fashioned shingle maker machine at Farm Technology Days, and were sold at the show.

US-Mexico Chamber of Commerce Awards Dinner

Secretary Brancel, along with Enrique Figueroa, was in Chicago for the US-Mexico Chamber of Commerce 2012 Double Eagles Awards Dinner which honored Kraft Foods and McDonald's in Mexico. Kraft and McDonalds were recognized as US companies that were major helpers in providing quality products and services to Mexico. J.C. Gonzalez-Mendez is becoming the Senior Vice President for Corporate Social Responsibility, Sustainability and Philanthropy efforts at McDonald's Corporation. Brancel asked Gonzalez-Mendez for the opportunity to bring 10 Wisconsin producers from 5 organizations to discuss sustainability from the producer's viewpoint. Gonzalez-Mendez is working towards a traceability system at McDonald's which

would set a two-hour deadline for each step in the process; identifying the problem, finding the product and location of the restaurant, where the product came from, the supplier of the product and where the product was processed.

Capital Budget Project Planning

Jeff Lyon has been working with the World Dairy Expo and Dane County Officials in assessing the space configuration of the Alliant Center's exposition and livestock facilities. With World Dairy Expo approaching, there are multiple, very expensive tents being rented to house cows. Lyon is jointly exploring the opportunity to make permanent facilities at Alliant Center that would benefit not only the World Dairy Expo, but attract additional exhibitors for Dane County with modifications to the exposition hall.

Six Sigma

Six Sigma is a structured approach to evaluating programs in order to cut down the amount of steps and the amount of effort in accomplishing a specific purpose. The department has started the process and has identified three individuals as group leaders that have now gone through training. The first three challenges will focus on travel approval, travel reimbursements and handling samples at the lab. The Six Sigma individuals will gather to discuss a very narrow focus on reviewing each process for redundancy or unnecessary steps to accomplish the purpose.

No-Call List

For the first time, 2 million phone numbers have registered with Wisconsin's no-call list.

New Employees

Sowmya Partha was hired as the Department's Chief Data Officer and Ashwini Rao was hired in the International Trade Bureau.

Department Budget

Last year, the department was directed to make a \$2.3 million lapse in its budget. This year's amount is still unknown, but is required by statute from the last budget cycle.

Farmer to Farmer Program

The University of Wisconsin-Extension developed the Farmer-to-Farmer Program which allows farmers to register products they are selling, such as feed, hay and grains online. The program has been utilized intermittently over the years. The first few weeks of start-up had only six listings. As of a week ago, there were over 100 listings.

Building Partnerships

With a reduced budget, it is vital to focus on areas that present the greatest urgency. The department must analyze the resources available throughout the state and build partnerships with other organizations and groups in order to develop a broad, diverse agricultural community.

Poultry Processor Contract

The Department signed a contract with a poultry producer to assist in the start-up of a small poultry processing business.

Future Schedule and Agenda Items

Jeff Lyon, Deputy Secretary, provided the Board with tentative monthly meetings for 2013. There will be no meetings in January, April, June, August or October. Specific dates will be determined after a consensus of Board input is received.

The Board discussed potential tours of the recipients of Specialty Crop Grants, and requested a report on the national policy mandate on ethanol.

The Board is scheduled to meet on November 14 in Madison.

Adjournment

By unanimous consent, the Board adjourned at approximately 12:30 p.m.

Andy Diercks, Board Chair

John Koepke, Secretary